



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Intervest Bancshares Corporation

Person to be contacted regarding this report:	John J Arvonio
CPP Funds Received:	\$25,000,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	12/23/2008
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	2049302
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	New York
State:	New York

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	See below
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<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	The Company's wholly owned subsidiary, Intervest National Bank, continued to originate commercial and multifamily real estate loans in New York and Florida, its major lending areas.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	
<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	

<input checked="" type="checkbox"/>	Reduce borrowings	See below
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	See below

What actions were you able to avoid because of the capital infusion of CPP funds?

The CPP funds received by our institution were contributed to the capital of our wholly-owned depository subsidiary (the "Bank"). As a result of the receipt of the CPP funds, that subsidiary was initially able to fund additional loans, consistent with its normal underwriting standards. More recently, the Bank has reduced its lending activities so as to preserve capital and to assure compliance with increased levels of capital required by its primary regulator. In the absence of the CPP funds, which are being held as a non-leveraged increase to total capital, the Bank would have been required to obtain cash through borrowings or capital through capital market transactions in order to continue its lending activities.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

As is indicated above, in the absence of the CPP funds, the Bank would have explored other alternatives to raise additional capital, without any assurance that such capital would be available or, if available, would be available on reasonable terms and conditions.

Without the infusion of CPP funds, the Bank may not have been able to meet the heightened capital requirements imposed on it. The availability of the capital, moreover, enabled the Bank to retain and aggressively manage certain non-performing assets, with a view towards minimizing losses and maximizing recoveries of those assets.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

See above